

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CARROLL COUNTY WATER)	
DISTRICT NO. 1 OF CARROLL, GALLATIN AND)	
OWEN COUNTIES, KENTUCKY, FOR A CERTIFICATE)	CASE NO.
OF PUBLIC CONVENIENCE AND NECESSITY TO)	97-217
CONSTRUCT, FINANCE AND INCREASE RATES)	
PURSUANT TO KRS 278.023)	

O R D E R

On April 24, 1997, Carroll County Water District No. 1 ("Carroll Water No. 1") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,271,300 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will not provide service to any additional customers. Project funding includes a \$2,266,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), and a \$5,300 cash contribution from Carroll Water No. 1.

Carroll Water No. 1's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on April 24, 1997, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Carroll Water No. 1 is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Carroll Water No. 1's proposed plan of financing with RUS is accepted.

3. Carroll Water No. 1 is authorized to issue bonds not to exceed \$2,266,000.

4. Carroll Water No. 1 shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

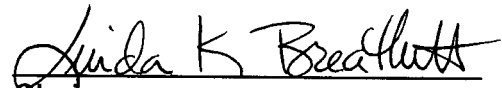
6. Carroll Water No. 1 shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


7. Carroll Water No. 1 shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Carroll Water No. 1 shall take immediate action to bring the system into compliance with Commission regulations.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 19th day of May, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-217 DATED MAY 19, 1997

The following rates and charges are prescribed for the customers in the area served by Carroll County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First	1,000	Gallons	\$10.00	Minimum Bill
Next	1,000	Gallons	4.40	Per 1,000 Gallons
Next	3,000	Gallons	4.30	Per 1,000 Gallons
Next	5,000	Gallons	4.20	Per 1,000 Gallons
Next	10,000	Gallons	3.30	Per 1,000 Gallons
Next	20,000	Gallons	2.50	Per 1,000 Gallons
All Over	40,000	Gallons	2.35	Per 1,000 Gallons